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INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY Hungary

REPORT

SUBJECT Csepel Iron and Steel Works

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report concerning the Csepel Iron and Steel Works. Although the information is old, the report is being made available for what value it may have. The report gives the following information:

1. Location of the plant and its subordination to the former Ministry of Metallurgy and Machine Industry.
2. A list of the departments of the Metallurgical Trust and the Machine Trust, both of which came under the Csepel Iron and Steel Works.
3. Administration of a large plant with the cover name of "Nagytömeg" (large crowd) by the director general of the Csepel Iron and Steel Works. Also the administration of the power station, which exports electrical current to Czechoslovakia, by the director general of the Csepel Iron and Steel Works.
4. Description of the buildings and equipment of the pipe plant; number of employees and monthly output; quality of the products; marketing of the plant's output; customers of the plant.
5. All personalities who were concerned with the Csepel Iron and Steel Works or the marketing of its products.
6. A sketch, with explanatory legend, showing the relative location of the various principal sections of the Csepel Iron and Steel Works.

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1. The Csepel Iron and Metal Works (Csepeli Vas Es Femmüvek) covers an area of five square kilometers on Imre Square, Csepel Island. It was formerly called the Rakosi Matyas Works and, originally, the Weisz Manfred Works. The plant is subordinate to the Ministry¹ of Metallurgy and Machine Industry (Koho Es Gepipari Miniszterium, KGM), which is located at No. 5/6 Szabadsag Square in Budapest V.
2. Since the status of the director general (allamtitkar) of the plant is tantamount to that of a deputy minister, the plant is under the direct control of the Minister's office. The director general is assisted by two deputies, one of whom is responsible for the Metallurgical Trust (Kohaszati Troszt), while the other is responsible for the Machine Trust (Gepeszeti Troszt). The Metallurgical

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Trust comprises a pipe factory (csogyar), a steel mill (acelmu), a rolling mill (lemezgyar-hengerde), a metal plant (femmu), an electrode factory (elektrodagyar), a foundry (ontode) and a laboratory. The Machine Trust comprises a bicycle factory (kerekpargyar), a motorcycle factory (motorkerekpargyar), a sewing machine factory (varrogepgyar), a crane factory (szerkezet) es emelogepgyar), a machine tool factory (szerszamgepgyar), a plant manufacturing prototypes of machines (egyedi gepgyar), auxiliary plants (segeduzemek) and a laboratory. Each of these components of the Csepel complex has its own management.

3. The large plant located opposite the Csepel Works on Imre Square is a separate unit with the cover name of Nagytomeg. Although it is officially under the direct administration of the director general, it is in fact under military control and works in accordance with orders issued by the Ministry of Light Industry (Kozepgepirai Miniszterium - KGM-B), located at No. 12 Teleki Pal Street and No. 24 Arany Janos Street in Budapest V.
4. The director general also controls the power station, which supplies current to all of the above as well as to Czechoslovakia. The amount of current exported -- between the hours of 2200 and 0600 -- is said to be considerable.

5. The pipe factory, the only one of its kind in Hungary, comprises the following buildings:
 - a. A brick building which is 50 x 60 meters in size, has a gabled, gray tile roof, and serves as a store for finished products.
 - b. A brick building which is 50 x 90 meters in size, has a gabled, gray tile roof, and serves as a store for finished products.
 - c. A brick building which is 50 x 180 meters in size, has a gabled roof (a wood construction with flat or corrugated sheet iron) and serves partly as a shop for the cold-drawing of pipes (hideguzem) and, to a lesser extent, as a finishing shop.
 - d. A building which is approximately 80 x 400 meters in size, has a gabled roof as that described in c. above, and serves in part as a shop for the hot-drawing (meleguzem) tube mill of pipes and in part as a finishing shop.
 - e. A building which resembled the ones previously described, where steel sheets are rolled and seam-welded into tubes and rust proofed.

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- f. A two-story building which serves the management and administrative offices.
6. The equipment of the plant consists of the following:
- a. At the shop for cold-drawing of tubes there are four drawing benches (vonopod) of 100 tons each, six drawing benches of 75 tons each, eight drawing benches of 50 tons each and twelve drawing benches of less than 50 tons each. Two of the 100-ton machines are new (made by Csepel) while all of the others are obsolescent. The shop employs the Mannesmann method.
 - b. At the shop for hot-drawing of tubes there are six Pirger sets (sic), two sets of machines for drawing tubes with a diameter of over 134 mm., which serve primarily for oil drillings (nagysori csovek), two sets for drawing medium-diameter tubes, 54 - 134 mm. (kozepsori csovek), and two sets for drawing tubes with a diameter of less than 54 mm. (kissori csovek). The shop employs the Mannesmann method.
 - c. At the tube-making shop (seam-welding) there are two net automatic machines installed which make tubes with diameters between $\frac{1}{2}$, 1, $1\frac{1}{2}$ and 2 inches.

7. Among others, tubes supplied to the army are coated at the coating shop. The process is applied only to tubes of up to two inches, since this width is in the greatest demand.
8. The plant employs approximately 3,500 workers, of whom 1,000 are skilled workers, 1,800 are unskilled workers and apprentices, 30 are engineers and technicians and 670 are administrative and managerial personnel.
9. The cold-drawing mill and the two Pirger sets at the hot-drawing mill making tubes of less than 54 mm. in diameter operate on a three-shift basis. The other shops work in two shifts.
10. About one-third of the raw materials -- steel billets (buga) and rods (ontecs) -- of various lengths and diameters is obtained from the Csepel foundries, while about two-thirds is obtained from the Ozd and Diosgyor foundries.
11. The monthly output of the plant is approximately 40,000 tons of pipes, with an emphasis on the production of tubes of up to 134 mm. in diameter for domestic consumption. However, the plant continues to manufacture pipes with a diameter of more than 134 mm., for discontinuation of this branch of production would necessitate the dismissal of many skilled veteran workers. As a result such pipes, which are not much in demand, are stocked in the stores of the plant. It was only recently decided to utilize

them for industrial building because of the shortage of timber and cement.

12. The tubes manufactured are of inferior quality partially because of the poor standard of the raw materials. The quality of the produce is furthermore affected by the hurried pace which workers tend to work toward the end of the month and before completion of the quarterly production period. From 70 to 80 percent of the basic material consists of scrap cast anew, which did not meet the standard. The proportion of rejects is 40 percent of the output. As a result, only 20 percent of the produce is Grade A, 20 percent is Grade B and the remainder is of very inferior quality and can be used only for purposes where little tensile strenght is required.
13. The marketing of the produce is done by Kohert (Kohaszati Ertekesito Vallalat), located at No. 113 Stalin Road in Budapest. This company is a separate directorate (ipargozgatosag) of the Ministry of Metallurgy and Machine Industry.¹ It is directly controlled by the Minister's office and executes the marketing of all plants under the Ministry's authority. The directorate also comprises a special department which supplies the requirements of the armed forces. The above applies to the marketing of

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consignments not exceeding ten tons (consignments exceeding ten tons are sent directly to the client), in which case the products are transferred to one of the five stores of Ferroglobus, the central storage agency of Kohert. These five stores are located at the following addresses in Budapest XIII:

- a. At No. 88 Vaci Street (steel sheets and tubes of Grade 2²).
- b. At No. 80 Vaci Street (tubes Grade A).
- c. At No. 2 Teve Street (tubes Grade A).
- d. At No. 14 (?) Dlava Street.
- e. On Arboc Street (steel sheets).

14. The following are clients of the plant which are supplied directly:

- a. The Ganz Rolling Stock Factory
- b. The Mavag Rolling Stock Factory and Machine Factory
- c. Sztalinvaros
- d. Zalalovo (oil drilling center)
- e. Mezokeresztes (oil drilling center)
- f. Emag Machine Factory
- g. Kismotor Es Gepgyar (for small motors and machinery)
- h. Tiszapalkonya (chemical works under construction).

15. The following persons are reported:

a. Sandor Cseki

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b. Laszlo Gyori

c. Bela Horvath

d. Bela Illes

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e. Laszlo Kerenyi

f. Dezso Kovacs

g. Laszlo (?) Lontai

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h. Bela Prokopius

i. Sandor Szikra

j. Mihaly (?) Wagner,

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k. Zsivko

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16. Attached is a legend and sketch of the Csepel Iron and Metal Works.

Comments:

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1. Now the Ministry of Foundries and Machine Building.
2. Probably Grade B is intended.

Attachment

LEGEND

1. Direction of Imre Square
2. Railroad line
3. Two-story building for the management and administrative offices.
4. Finished products store
5. Finished products store
6. Cold-drawing tube mill (hideguzem)
7. Finishing shop
8. Hot-drawing tube mill (meleguzem)
9. Finishing shop
10. Seam-welding tube plant and rust-proofing shop.

A hand-drawn floor plan of a building, oriented vertically. The plan features several rooms and corridors, numbered 1 through 10. Room 1 is a large central area. To its left is a long corridor (2) containing two sets of double doors (3 and 4). Above room 1 is a smaller room (5). To the right of room 1 is a large room (6) with a dashed line across its middle. Above room 6 is a small room (7). To the right of room 6 is a large room (8) with a dashed line across its middle. Above room 8 is a small room (9). To the right of room 8 is a small room (10). The plan includes two labels 'SECRET' in a box, one on the left and one on the right. A scale bar at the bottom indicates 25X. A north arrow is located in the upper left corner.

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